restructuring, rescheduleiment and compromise settlement, filing of suits in DRTs and Courts, vigorous monitoring, supervision and follow up of Non-Performing Assets (NPAs) at various levels by the management. Further, Corporate Debt Restructuring mechanism has been put in place. Action has also been taken for setting up of Asset Reconstruction Companies. Legislative changes are proposed to facilitate securitisation, foreclosures and enforcement of securities in cases of default without intervention of the Court.

NABARD guildelines for rural banks

4306. SHRI C. P. THIRUNAVUKKARASU: Will the Minister of FINANCE be pleased to state:

(a) whether NABARD has issued guidelines to improve functioning of Cooperative Agriculture and Rural Development Banks in the States;

(b) if so, the details thereof;

(c) whether the NABARD has examined the problem faced by Cooperative Agriculture and Rural Development Banks in various States;

(d) if so, the details thereof; and

(e) the measures proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) has reported that it has issued guidelines and taken a number of initiatives for improving the working of the State Cooperative Agriculture and Rural Development Banks (SCARDBs). These measures include preparation of institution-specific development action plans (DAPs) aimed at attaining current/sustainable viability in the shortest possible time-frame and implementation and monitoring the same through the mechanism of Memorandum of Understanding (MoU). These guidelines were revised in July, 2000 for incorporating implementation of prudential norms (income recognition, asset classification and provisioning norms), etc. Guidelines were further issued in April, 2001 for implementing one-time settlement scheme (OTS) to reduce the level of non-performing assets.

(c) to (e) Government had set up a task Force to study the cooperative credit system and suggest measures for its strengthening under the Chairmanship of Shri Jagdish Capoor. The Task Force found that SCARDBs were suffering

from duality of control, lack of professional management, high intermediation cost, low profitability/losses, poor recovery, high levels of non-performing assets, etc. The Task Force recommended a four dimensional revitalization package encompassing financial, operational, organization and systematic aspects including recapitalisation of potentially viable cooperative credit institutions. Subsequently, a committee under the Chairmanship of Minister of State for Finance had been constituted for consideration of revitalization assistance to cooperative banks. Subsequent to the submission of the report by the Committee, Government has made a provision of Rs. 100 crore in the Budget for the year 2002-2003 for revitalising the cooperative banks including Agriculture and Rural Development Banks.

Performance of Banks

4307. SHRI K.M. KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have conducted any study to evaluate the performance of various Scheduled Commercial Banks including Nationalised Banks in regard to priority sector lending;

(b) whether RBI has put in place a monitoring mechanism to supervise/ oversee the compliance of banks to its guidelines in regard to issuing credit to priority sector upto 40 per cent of net bank credit;

(c) the number of banks which have adhered to or failed to comply with the guidelines; and

(d) the measures taken to penalize banks for non-compliance with the guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) Reserve Bank of India (RBI) has reported that the review of bank performance in lending to the priority sector is done at regular intervals with a view to formulate adequate policy responses. RBI has not conducted any special study to evaluate the performance of various nationalized banks in regard to priority sector lending.

(b) RBI has a monitoring mechanism in place for keeping track of the bank's performance *vis-a-vis* the priority sector stipulation as reflected in half-